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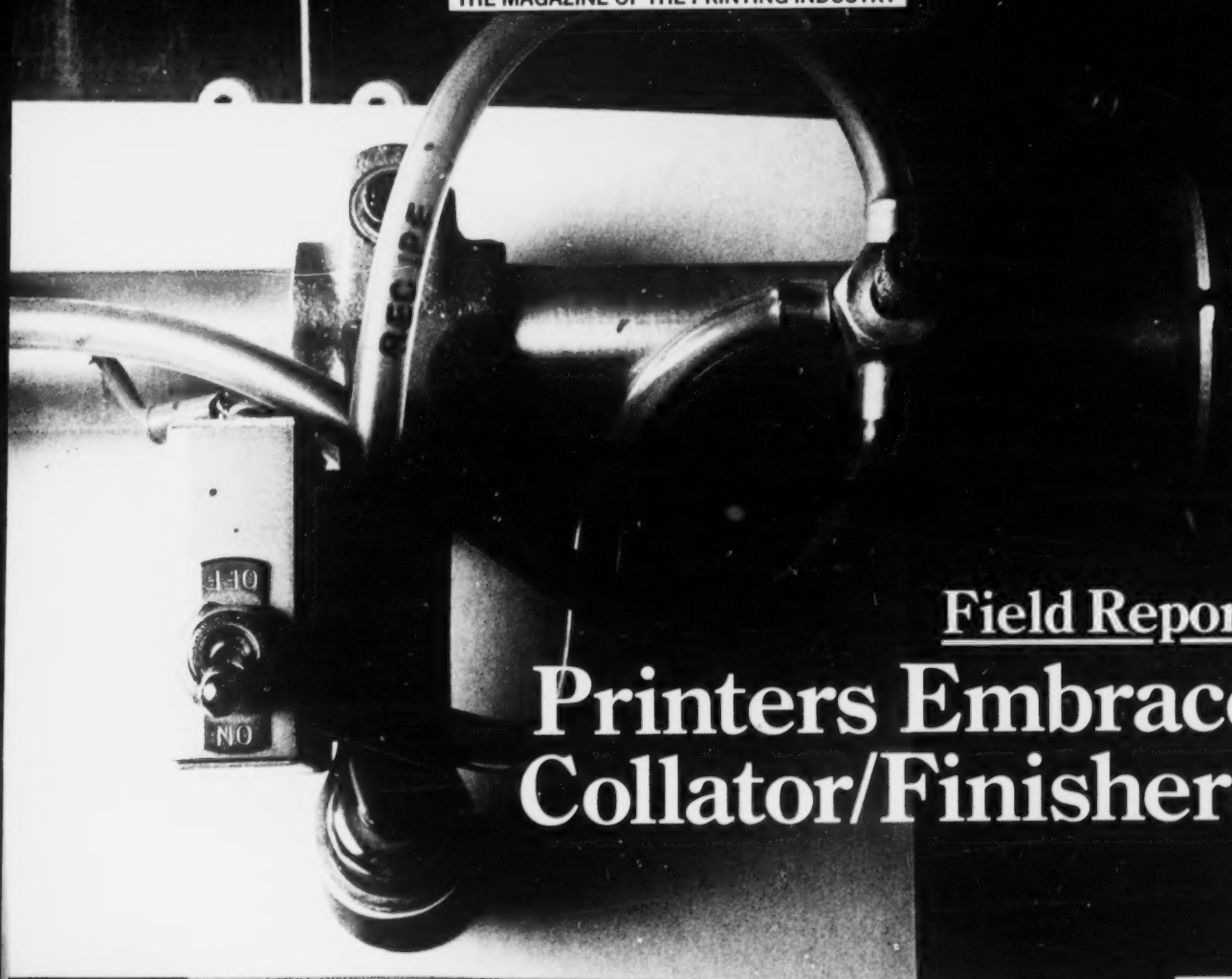
graphic arts monthly®

THE MAGAZINE OF THE PRINTING INDUSTRY



Field Report

Printers Embrace Collator/Finishers

1992 Salary Survey

Binderies Seek Recyclables

Target Market: Nonprofit Organizations

VOLUME 64 NUMBER 7

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THE MAGAZINE OF THE PRINTING INDUSTRY

TOTAL CIRCULATION 99,585

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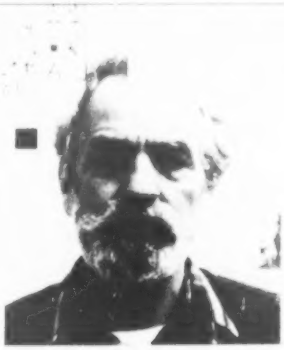

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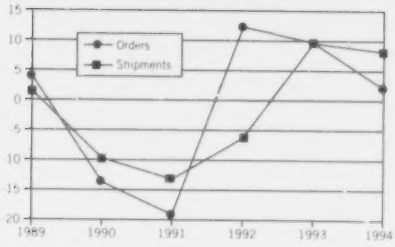
Machinery Orders To Recover in '92

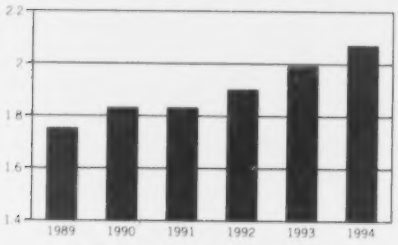


Printing Machinery
annual % change
Source: NPES Forecast: Cahners Economics

The year-end 1991 numbers are in for graphic arts machinery orders and shipments, and they are about as bad as expected. According to data collected by the Association for Suppliers of Printing and Publishing Technologies (NPES), machinery orders fell nearly 20%, and shipments dropped 13.3% last year. This data is based on a survey of the association's membership, which represents most but not all of the industry. Last year, a large company dropped out of the survey, making the data look even worse than actual.

Nonetheless, the combination of 1990 and 1991 was the worst period for machinery sales since the data was first collected. On the bright side, the last several months of data show that orders are turning around. Cahners predicts that orders will rise over 12% in 1992, followed by strong but slower growth in 1993 and 1994. Shipments will decrease another 6.4% this year before posting solid gains in the upcoming years.

Supply Shipments Flatten in 1991



Printing Supplies Shipments
Billions of $
Source: NPES Forecast: Cahners Economics

Despite showing the first quarterly declines in four years, shipments of graphic arts supplies managed to squeak out a 0.1% rise in 1991. In the last few months of the year, supplies shipments managed to post solid gains which pulled sales up for the year-end and set the stage for an upturn in 1992. In the third and fourth quarters of 1991, shipments rose 1.1% and 3.3%, respectively, above the previous year's levels. These gains came on top of two consecutive quarters of decreases.

Supplies showing the most significant declines were phototypeset and photo transfer papers, while lithographic plates showed gains. The upcoming recovery will not be as strong as previous recoveries. After almost flat growth in 1987, printing supplies shipments came back strong and averaged gains of 5.5% in the following two years. This time, however, Cahners expects supplies shipments to rise 3.6% in 1992 and 4.7% in 1993.

The latest release from the Bureau of Labor Statistics reports that the recessionary effects on total employment during 1991 were originally overestimated. In fact, the number of jobs lost were undercounted by about 640,000. This explains why consumers felt the recession was much worse than the numbers reflected. The revisions to the employment data go back to 1987 and will certainly have some effect on the printing industry. For now, employment continues to look grim and we anticipate a slight 0.4% rise in 1992.

SUPPLY INDICATORS

				Annual Percent Change			
Employment (1)	**Mar 91**	**Feb 92**	**Mar 92**	**1991**	**1992**	**1993**	**1994**
Printing & publishing	1547.7	1514.8	1517.2	-2.3	0.4	2.9	2.5
Commercial printing	544.0	533.9	535.9	-2.4	0.5	3.3	2.8
Productivity (2)							
Printing & publishing	103.6	107.9	107.5	4.2	2.6	2.8	2.1
Average Hourly Earnings (3)							
Printing & publishing	11.36	11.60	11.69	2.2	2.5	2.9	3.0
Commercial printing	11.66	11.80	11.92	2.1	1.9	2.9	2.8
	Q4/90	**Q3/91**	**Q4/91**	**1991**	**1992**	**1993**	**1994**
Graphic Arts Machinery (4)							
New orders	134.5	120.2	111.5	-19.1	12.3	9.7	2.1
Shipments	146.3	118.3	125.9	-13.2	-6.3	9.6	8.2
Graphic Arts Supplies (4)							
Shipments	156.5	153.3	161.7	0.1	3.6	4.7	4.0

(1) Thousands of employees. U.S. Dept. of Labor. (2) Index: 1987 = 100. Cahners Economics. (3) Dollars per hour. U.S. Dept. of Labor. (4) Index: 1981 = 100. National Printing Equipment and Supplies Association.
All forecasts by Cahners Economics.

graphic arts monthly

Nonprofits Are Lucrative for Print

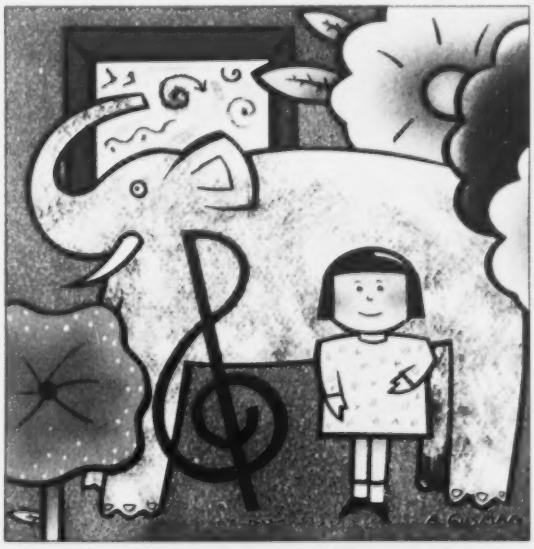
If you take a look at the list of Print Target Markets inside the gatefold, you will see that social service and nonprofit organizations is the single largest category. These groups buy more than $11 billion in commercial printing a year.

Social Service/Nonprofits is a big umbrella which takes in a wide variety of enterprises and organizations.

The "social service" part of it comes from the fact that many of the society's services in matters of health and, in the widest sense of the term, welfare, are provided by private organizations, not by the government. Some have been around so long and are so pervasive that we tend to think of them as having some sort of official status: the ASPCA, the American Cancer Society, the Salvation Army, the Red Cross, etc. However, they are all private, and part of this month's legion of print buyers.

Most of the rest of the category consists of membership organizations having some noncharitable function. One large group is industry associations; in our own industry we have PIA, NAPL, NPES, and a number of more specialized groups. Every other industry has at least one and in most cases several organizations doing what industry associations do: providing information, putting on trade shows, and lobbying Congress.

Brochures and direct-mail top the needs of this eclectic print market.



Anne Gutman

Another big segment is civic and social organizations: the Elks, the Campfire Girls, etc. There are also political organizations, labor organizations, professional groups (doctors, lawyers), and noncommercial research organizations. The largest subgroup is religious organizations, of which there are almost 127,000.

To a great degree , printing is the lifeblood of social service and nonprofit organizations. Whatever they do, they depend on letting their members know what they are doing and soliciting memberships and donations in order to continue doing it.

This requires an extensive direct-mail effort, which is one area in which nonprofits are heavy printing buyers. Also, many groups publish periodicals for their members, as well as instructional materials, ranging from brochures to multivolume casebound books.

Subject of this month's Regional Update: the East South Central (Tennessee, Kentucky, Alabama, and Mississippi).

Reprints may be ordered from Cathy Dionne, Cahners Publishing, Reprint Dept., 1350 E. Touhy Ave., Des Plaines, Ill., 60018. Call (800) 523-9654 in the U.S.; (708) 390-2777 in Canada.

By Peter Johnston
Special Projects Manager

Nonprofit Organizations at a Glance

The importance of the social service/nonprofit sector is not clearly revealed by these statistics, which deal only with offices and other full-time facilities, and with salaried staff. The real clout comes from membership. To give just one example, every employee who donates to United Way—a vast proportion both of corporate America and of public employment such as the armed forces—is also a member of that organization.

Total Establishments: 219,646
Employees: 1,893,457
Total Annual Payroll: $21,681,049,000

Source: U.S. Department of Commerce, County Business Patterns

Growth Patterns, Selected Nonprofits

The most recent available statistics coincide with the boom of the 1980s and are thus probably a little misleading. In a recession, expenditures made as a matter of course during boom times, such as association dues and charitable donations, tend to be reduced. Also, government has sharply reduced its spending on social services during the last decade; private organizations have taken up some slack, thus altering their spending patterns.

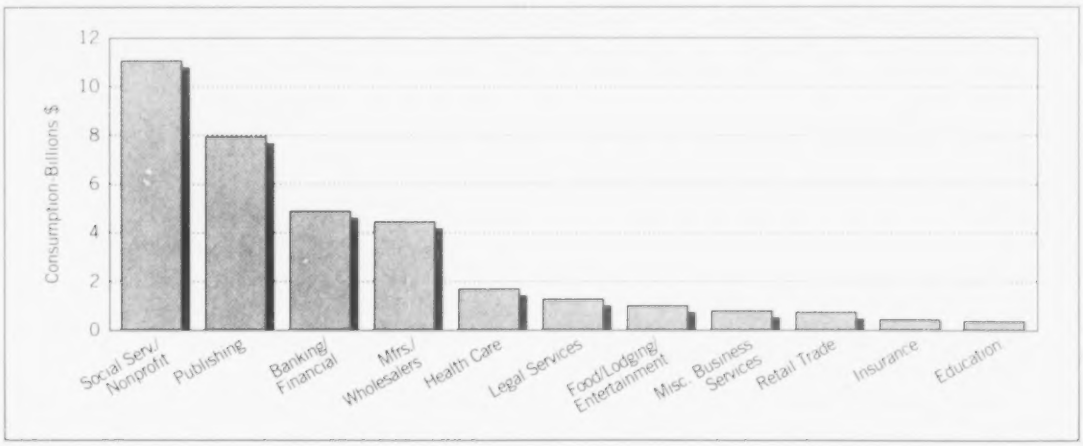
Number of Establishments

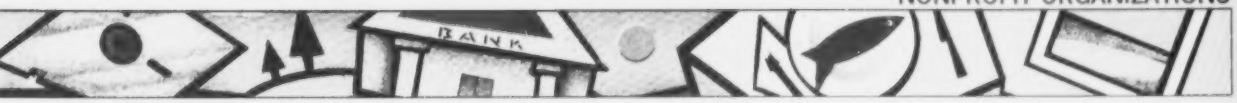
Type of Organization	*1982*	*1987*	*Change*
Museums, Zoos, Botanical Gardens	2,415	2,695	11.6%
Selected Membership Organizations	63,213	67,997	7.6%
Business Associations	12,407	12,299	-0.8%
Civic/Social/Fraternal Orgs.	36,639	48,415	32.1%
Other Membership Organizations	14,147	15,283	8.0%
Expenses (000)	*1982*	*1987*	*Change*
Museums, Zoos, Botanical Gardens	$1,203,080	$1,987,229	65.2%
Selected Membership Organizations	$15,092,862	$22,028,411	46.0%
Business Associations	$4,650,881	$6,581,649	41.5%
Civic/Social/Fraternal Orgs.	$5,557,498	$8,001,026	44.0%
Other Membership Organizations	$4,884,483	$7,445,736	52.4%

Charts and graphs by Annabelle Carter

Ranking of the Print Target Markets

Industries to be covered in the Print Target Markets series in 1992 were selected from a DRI/McGraw-Hill listing of the largest purchasers of goods and services from commercial printers. This list was further refined by the editors, primarily by the elimination of industries that are not logical targets for small to medium-size commercial printers. The resulting list represents more than a third of all business-to-business printing sales.

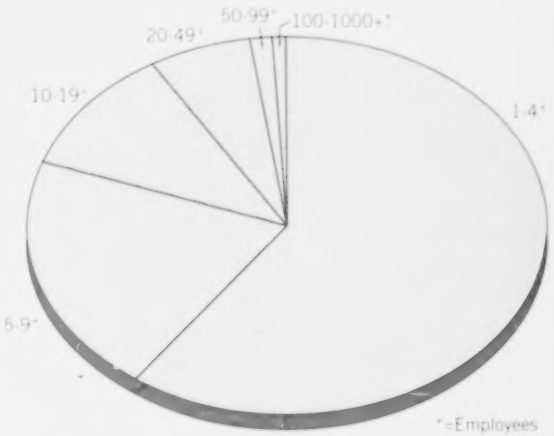




Nonprofit Organizations by Employee Size

Shown is an exaggerated version of the pattern found in the for-profit sector. About 77% of all establishments have fewer than 20 employees; for nonprofit organizations, the figure is 92%. The prominence of the large and well-known nonprofits is underscored by how few of them there are; most are highly specialized and very small.

Size	Establishments	Percent
1-4 Employees	131,888	60.1%
5-9 Employees	45,386	20.7%
10-19 Employees	23,562	10.7%
20-49 Employees	13,817	6.3%
50-99 Employees	3,335	1.5%
100-249 Employees	1,245	0.6%
250-499 Employees	247	0.1%
500-999 Employees	92	0.04%
1000+ Employees	28	0.01%



Source: U.S. Department of Commerce, County Business Patterns

Nonprofit Organizations–Categories

Most industries have a rational structure (e.g., raw materials, processing, manufacture, and marketing) governed at least to some extent by consumption and potential profitability, that is, by supply and demand. The "structure" of the nonprofit sector arises out of something much more complex, i.e., the impulse of human beings to gather together for reasons other than making money. The Commerce Department's categories here are an exercise in taxonomy: we group similar things together, count them, and give them names. Far and away the largest category (almost 58% of the total) is religious organizations; civic and social associations (17.8%) run a distant second, followed by labor organizations (9.1%) and business associations (5.5%). (These latter two exist at least partly to keep an eye on each other.) The other categories, in declining order by number of establishments, are other membership organizations, professional organizations, museums and art galleries, noncommercial research organizations, political organizations, and zoos and botanical gardens.

Category	Number of Establishments	Category	Number of Establishments
Museums and Art Galleries	2,714	Civic and Social Associations	38,981
Botanical and Zoological Gardens	274	Political Organizations	1,285
Business Associations	12,032	Religious Organizations	126,823
Professional Organizations	5,449	Membership Organizations, Other	9,459
Labor Organizations	20,046	Noncommercial Research Organizations	2,352

Source: County Business Patterns

Regional Distribution–Nonprofit Organizations

Region	Nonprofit Organizations	%, U.S. Total
New England	12,819	5.8%
Middle Atlantic	35,389	16.1%
East North Central	34,912	15.9%
West North Central	15,311	7.0%
South Atlantic	35,665	16.2%
East South Central	10,740	4.9%
West South Central	23,420	10.7%
Mountain	12,866	5.9%
Pacific	38,413	17.5%

Sources: U.S. Statistical Abstract supplements, 1991, Census of Services, Department of Commerce

Key to Regions

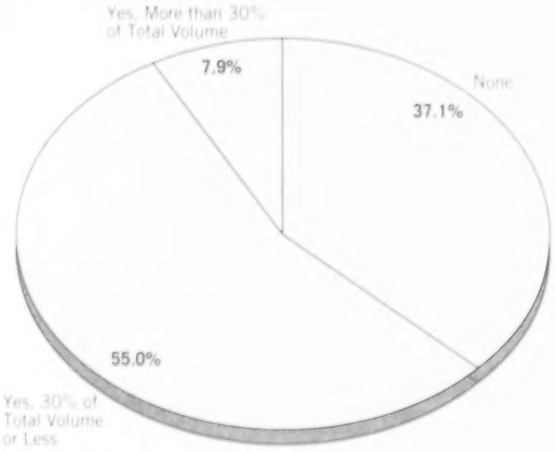
The nine geographic regions, as referred to throughout this survey:

New England (NE): Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Mid-Atlantic (MA):** New Jersey, New York, Pennsylvania. **South Atlantic (SA):** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington, D.C., West Virginia. **East South Central (ESC):** Alabama, Mississippi, Kentucky, Tennessee. **East North Central (ENC):** Illinois, Indiana, Michigan, Ohio, Wisconsin. **West North Central (WNC):** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **West South Central (WSC):** Arkansas, Louisiana, Oklahoma, Texas. **Mountain (M):** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific (P):** Alaska, California, Hawaii, Oregon, Washington.

Does Your Firm Do Work for Nonprofit Organizations?

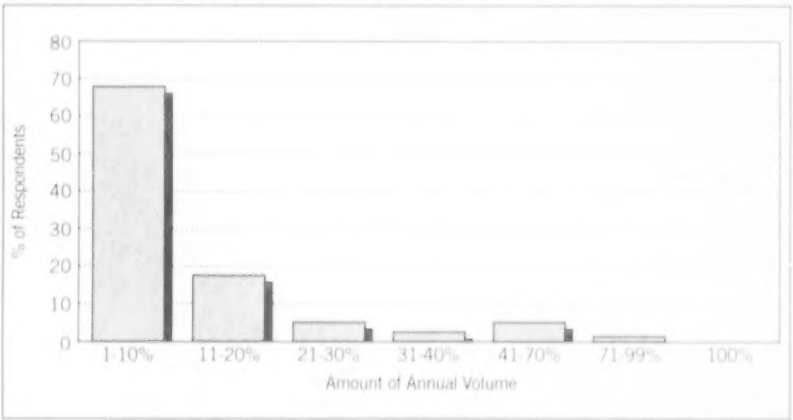
To measure the breadth of the impact of social service and nonprofit organizations on commercial printing, small and medium-sized commercial printers across the country were surveyed for this article. Printers to be surveyed were selected on a random (every nth name) basis from the current circulation list of GRAPHIC ARTS MONTHLY. More than 60% of printers responding to the survey reported doing at least some work for nonprofits.

Though some of the larger groups, among them religious organizations such as Jehovah's Witnesses and the Church of Jesus Christ of Latter-Day Saints, have extensive in-plant printing facilities, most of the printing generated by this sector is captured by commercial shops.

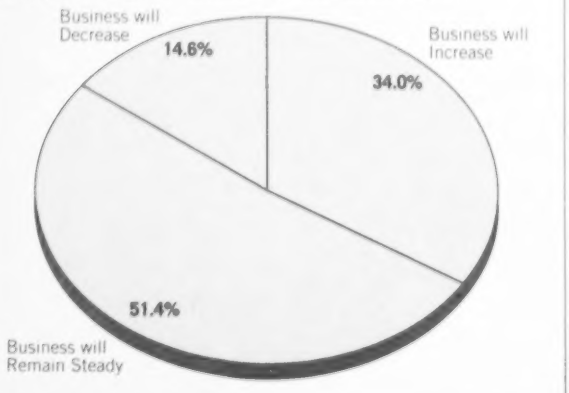


If So, How Much of Your Annual Volume is for Nonprofit Organizations?

Most printers who do work for nonprofit organizations derive a relatively small proportion of their annual sales from them; almost 68% do no more than 10% of their work for nonprofits, and fewer than 15% of the total have sales to nonprofits accounting for more than 20% of total volume. Though many nonprofits are national in scope, they tend to be clustered near large cities; regionally, the New York and Chicago metropolitan areas report a high incidence of printing for nonprofits, as does the Pacific region.



Over the next 12 months, what do you feel will happen to your share of business here?



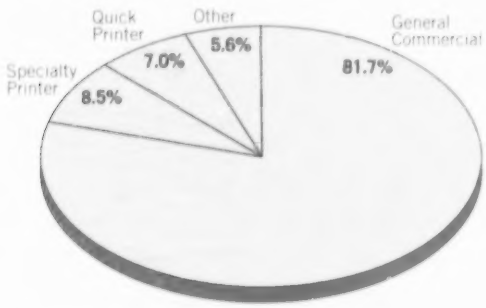
Printer-Supplied Products for Nonprofits

As in the for-profit sector, the majority of commercial printers doing work for nonprofit organizations report printing stationery and business forms for them. Advertising printing is also brisk for this segment. Bound publications are done more often for this segment than for many others, again as expected. Unbound non-Advertising material—information sheets, leaflets, etc.—are a major component of the work done for nonprofit organizations.

Stationery and Business Cards	71.5%
Business Forms	53.4%
Advertising Sheets, Pamphlets, or Brochures	71.0%
Unbound Non-Advertising Material	42.0%
Miscellaneous Non-Printing Services	28.0%
Bound Publications	28.0%

Regional Update/East South Central

Type of Company

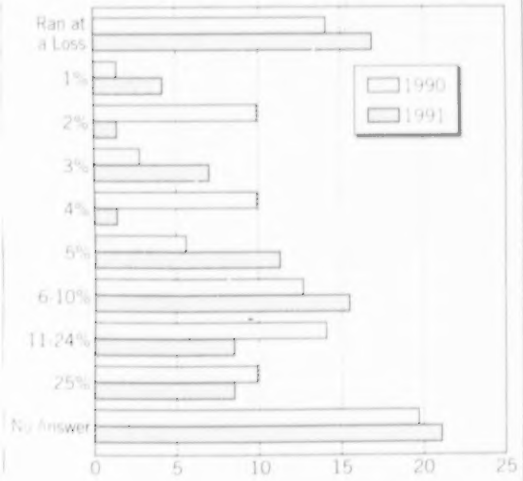


Profile of Respondents

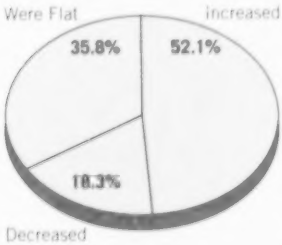
Commercial printers in Tennessee, Kentucky, Alabama and Mississippi responding to a recent mail survey reported year-over-year changes in their annual sales, profitability, and operating capacity. They also revealed how they perceived the outlook for business in their area.

Gross Sales in 1991		# of Employees	
Less than $500,000	84.5%	1-4	40.8%
$500,000-749,999	5.6%	5-9	45.1%
$750,000-999,999	7.0%	10-19	12.7%
$1 million-2,499,999	0%	20 or more	1.4%
$2,500,000-4,999,999	1.4%		
$5 million+	0%		

Profit as a Percent of Gross Sales, 1990



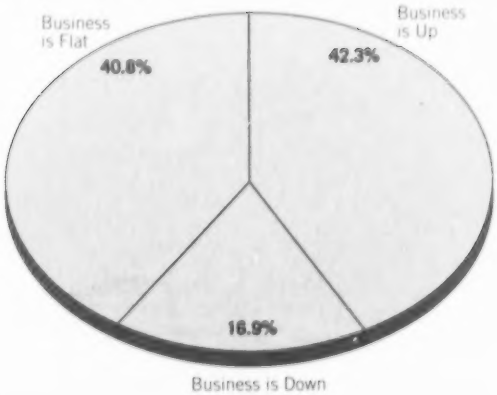
How Sales Changed, 1990 to 1991



1990 to 1991	
Sales Increased	52.1%
Sales Decreased	18.3%
Sales Were Flat	35.8%

If Sales Increased 1990-1991, How Large Was Increase?		If Sales Decreased 1990-1991, How Large Was Decrease?	
Less than 5%	16.2%	Less than 5%	30.8%
5-10%	27.0%	5-10%	23.1%
11-20%	35.1%	11-20%	30.8%
21-30%	2.7%	21-30%	7.7%
31-50%	8.1%	31-50%	0%
More than 50%	8.1%	More than 50%	0%

Perception Index



Comments by Printers

- Printers must get a handle on pricing; they are hurting themselves.
- Sales have increased, but revenues are down. Customers are taking longer to pay, from 30 days to as much as 90 days.
- We have grown steadily for the past six years and expect a profit this year.
- We previously made profits from designing, typesetting, and layout. This has declined because of [the impact of] personal computers.
- Business is showing small signs of returning to normal. It has been depressed since October 1991.
- We hope the economy will pick up.

Printers Curb Pay Increases

Even in the biggest printing companies, salaries stood still this year. The results of the 1992 Salary Survey show an interesting consensus among printers: holding employee raises down, or deferring them, is sound (and common) financial planning.

Survey respondents indicated that they were viewing the prospects of employee compensation in a more conservative light than recent years. When asked what action(s), if any, printers had taken or were planning to take in regard to salary increases in 1992, 33.5% said they were giving smaller increases than normal, nearly 30% decided to give no raises to its staff across the board, and 12% opted to withhold raises in certain positions.

With respect to the 24 individual job classifications featured, the data show no real change since 1991, but rather predominant stagnation. Nine job categories witnessed a decrease in salaries from 1991 levels, 11 jobs reflected increases, and two showed no change from the previous year's pay level. In the two new categories added to the 1992 survey—Art/Design Department Foreman and Electronic Prepress Department Foreman—no comparison could be made with 1991 results.

A look at the past few years' Salary Survey results further illuminates the trend toward stagnation: in 1990, overall salary increases when averaged were 33% above the previous study; in 1991 the average percentage change was approximately 7%; and this year the change was barely measurable (less than 1%). The respondents vary from year-to-year so these comparisons merely detect general trends in the industry and do not represent annual changes of a particular sample.

But slow income growth doesn't dog our industry alone. The Bureau of Economic Analysis reports that national per-capita personal income has steadily declined over the past three years. Moreover, last year, according to Cahners Economics, price inflation was higher than the increase in per-capita income for the first time since 1982.

Stagnant pay levels transgress regional boundaries of the continent as well. When average base salaries were compared by geographical region with those regions in previous GAM studies, the percentage change is typically insignificant.

What proved interesting, however, is how the titles of "best" and "worst" paying regions migrated across the country. At the bottom of the ranking this year, reporting the lowest salaries in 13 of the 24 titles, was the South Atlantic (Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington, D.C., West Virginia).

As for the highest paying region, the winner was less distinguishable; East South Central (Alabama, Kentucky, Mississippi, Tennessee) topped just six of the categories.

The complete results of the survey are presented in the detachable, double-gatefold form appearing opposite this page. Questionnaires were sent to a random sample of 2,000 GAM readers plus the top 101 companies comprising the GAM 101. A total of 379 firms completed and returned the survey, for a response rate of 18%.

By Bridget Kinsella Arajs
Associate Editor

Salaries Take a Beating

Respondents reported the following actions:	
Smaller increases than normal	33.5 %
No raises across the board	29.8
No raises for certain positions	12.1
Salary cuts	5.0
Normal increases/all got raises	3.2
No action taken	11.6

Note: Including negligible percentages for several miscellaneous responses, which are not shown in this table, total exceeds 100% because of multiple responses.

1992 SALARY SURVEY

	1992 National Average	% Change From 1991 ***	AVERAGE SALARIES By Region (See Key) Lowest	Highest	By Employee Count Less than 10	200 or more	By Company Revenue Less than $500,000	$20 million or more
MANAGEMENT STAFF								
Chairman of the Board	$163,200	+ 12.5	$86,000 (SA)	$216,500 (ESC)	$25,000	$334,400	$28,000	$335,700
President/Owner/CEO	71,100	+ 2.9	49,300 (SA)	86,000 (ESC)	40,700	210,200	35,700	208,700
General Manager	58,200	+ 1.2	47,600 (SA)	101,700 (WSC)	30,300	120,000	31,300	131,100
VP–Sales/Marketing	69,400	– 9.6	39,700 (SA)	88,300 (WNC)	30,500	110,600	28,800	112,700
VP–Finance	66,300	– 8.0	34,200 (M)	102,100 (ESC)	24,700	90,100	39,700	93,100
VP–Manufacturing	67,900	– 9.9	42,000 (NE)	105,000 (WSC)	35,000	92,100	43,200	98,400
OFFICE/FINANCIAL								
Controller	47,300	- 10.5	26,000 (SA)	58,000 (P)	33,700	60,100	38,800	57,800
Estimator/Planner	34,600	– 4.4	24,300 (SA)	43,000 (MA)	22,900	45,100	25,500	43,200
Office Manager	26,800	- 5.5	25,100 (MA)	32,600 (NE)	17,600	36,200	18,500	38,600
Human Resources Manager	43,500	– 3.1	31,900 (MA)	64,000 (ESC)	—	48,200	48,800	47,800
Purchasing Agent/Buyer	35,100	– 7.4	26,000 (WNC)	68,300 (NE)	50,000	46,700	52,000	47,600
PRODUCTION MANAGEMENT								
Plant Manager/Superintendent	44,300	+ 1.6	36,800 (SA)	53,500 (NE)	27,400	66,100	30,500	66,500
Production Manager	36,900	+ 8.8	27,700 (SA)	43,300 (ENC)	24,000	56,800	24,100	55,700
Quality Control Supervisor	37,600	– 1.1	26,000 (NE)	46,700 (P)	14,500	41,400	32,500	41,600
Production Scheduler	32,800	0.0	18,300 (SA)	36,700 (MA)	30,900	36,900	21,100	39,000
DEPARTMENT FOREMAN								
Art/Design Foreman	30,900	*	22,000 (ESC)	42,700 (NE)	21,000	60,300	19,500	58,900
Electronic Prepress Foreman	37,500	*	27,300 (MA)	57,500 (WNC)	26,300	48,800	23,800	49,400
Prep Foreman	36,000	+ 1.4	26,100 (SA)	39,800 (MA)	25,400	48,800	24,800	48,800
Press Foreman	34,800	– 0.6	24,600 (SA)	42,400 (ESC)	20,900	54,000	21,600	52,200
Bindery Foreman	32,400	+ 6.2	21,900 (SA)	35,000 (P)	16,900	45,200	20,600	44,800
Maintenance Foreman	36,600	– 10.1	20,000 (M)	44,000 (WSC)	—	44,400	47,300	44,500
SALES/MARKETING								
Sales Manager**	51,400	0.0	32,300 (SA)	69,800 (ESC)	22,700	77,900	26,900	82,100
Sales Representative**	39,100	+ 2.9	26,200 (M)	49,600 (P)	28,500	67,500	29,900	63,300
Customer Service Manager	30,400	+ 0.3	22,500 (SA)	41,400 (WSC)	18,800	42,800	20,500	44,800

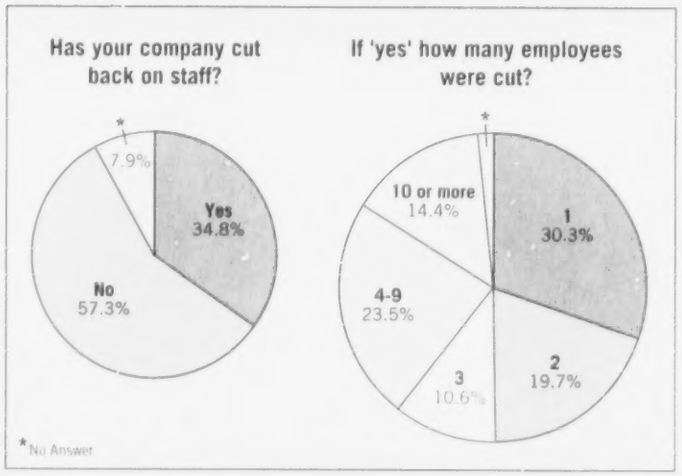
*Not measured in 1991. **Base salary only. ***Percentage change indicates comparison to 1991 study results.

AVERAGE SALARIES BY REGION (SEE KEY) New England	Middle Atlantic	South Atlantic	East South Central	East North Central	West North Central	West South Central	Mountain	Pacific
MANAGEMENT STAFF								
Chairman of the Board	$94,500	$143,000	$86,000	$216,500	$98,300	$182,200	$98,500	—	$177,300
President/Owner/CEO	59,300	69,500	49,300	86,000	77,900	84,000	61,200	$58,500	81,200
General Manager	—	47,700	47,600	69,900	55,600	52,400	101,700	48,500	72,500
VP–Sales/Marketing	49,300	62,300	39,700	57,300	74,400	88,300	81,600	51,300	79,000
VP–Finance	—	77,400	38,900	102,100	75,000	38,700	84,800	34,200	68,000
VP–Manufacturing	42,000	62,400	54,600	76,700	76,300	65,800	105,000	75,000	59,800
OFFICE/FINANCIAL								
Controller	56,900	48,200	26,000	46,300	52,500	41,800	45,200	48,500	58,000
Estimator/Planner	35,600	43,000	24,300	36,700	39,800	29,700	33,200	30,600	38,700
Office Manager	32,600	25,100	25,200	25,200	25,300	25,300	26,000	27,200	30,800
Human Resources Manager	45,200	31,900	32,500	64,000	51,100	36,000	49,500	—	45,000
Purchasing Agent/Buyer	68,300	32,500	32,500	55,300	36,600	26,000	38,500	29,700	31,000
PRODUCTION MANAGEMENT								
Plant Manager/Superintendent	53,500	49,800	36,800	50,700	47,400	40,800	37,900	36,800	47,000
Production Manager	32,300	41,100	27,700	40,700	43,300	31,300	36,400	36,100	37,800
Quality Control Supervisor	26,000	43,000	27,200	35,000	42,800	34,400	40,500	—	46,700
Production Scheduler	30,800	36,700	18,300	35,200	32,700	34,500	34,700	25,000	34,700
DEPARTMENT FOREMAN								
Art/Design Foreman	42,700	31,100	26,200	22,000	31,000	22,800	26,000	28,700	30,200
Electronic Prepress Foreman	37,300	27,300	30,000	30,000	40,700	57,500	35,100	28,000	46,000
Prep Foreman	37,200	39,800	26,100	38,700	36,400	34,500	32,800	32,300	38,500
Press Foreman	39,700	34,300	24,600	42,400	38,700	33,800	30,400	28,000	39,400
Bindery Foreman	30,600	30,500	21,900	29,500	35,300	34,300	33,000	31,200	35,800
Maintenance Foreman	28,000	36,000	32,000	37,300	42,600	33,400	44,000	20,000	33,300
SALES/MARKETING								
Sales Manager**	58,500	51,000	32,300	69,800	57,000	48,400	49,100	42,000	65,600
Sales Representative**	37,000	37,000	32,100	45,000	43,100	37,800	32,800	26,200	49,600
Customer Service Manager	35,200	29,700	22,500	25,500	36,600	26,100	41,400	33,000	37,000

PRINTERS WIELD THE AX

In our survey, one printer in three reported a staff cut in the past year; on the other hand, nearly 60% reported no decrease in work force over the previous 12 months. Among printers reporting staff cuts, some 31% cut payroll by just one staff member, yet the average cut in this sample was calculated to be five employees.

While many companies did not cut staff, awarding salary increases showed its own kind of scaling back among the representative companies. Like other industrial employers, printers were more discriminating about awarding annual raises. In regard to salaries in 1992, 34% say they plan to give smaller increases than normal, 30% are not giving any raises across the board, and 13% are not giving raises to certain positions.

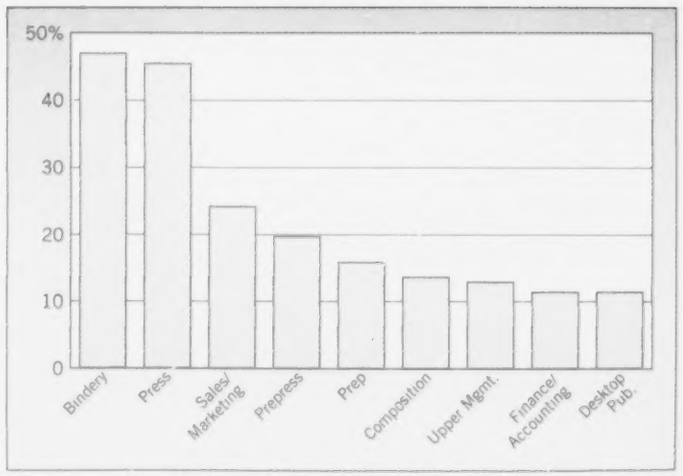


WHERE THEY MADE THE CUTS

When printers elected to pare down their work forces in the past year, they tended to concentrate on the most labor-intensive areas of their plants. Thus, reported the survey respondents, cuts were most often made among staff personnel in the Bindery Department (47%) and in the Press Department (46%).

On the other end of the spectrum, Production, Delivery/Shipping, and Maintenance were all areas that appeared at the bottom of the printers' staff cut list.

The level of employee most likely to be cut within the departments were: Production Operations (69%), Administrative/Support Staff (30%), Salespeople (17%), Production Management (11%), Business Management (8%), and Sales and Marketing Management (8%).



Charts and graphs by Annabelle Carter

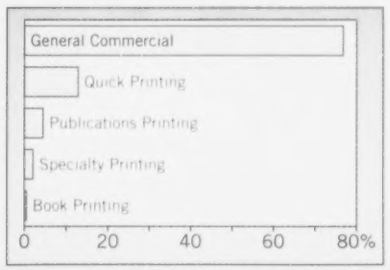
COMPILED BY G APHIC ARTS MONTHLY

	AVERAGE SALARIES BY EMPLOYEE COUNT							AVERAGE SALARIES BY COMPANY REVENUE					
	Less than 10	10-19	20-49	50-99	100-149	150-199	200 or more	Less than $500,000	000-999	$1 million-$4.9 million	$5 million-$9.9 million	$10 million-$19.9 million	$20 million or more
MANAGEMENT STAFF													
Chairman of the Board	$25,000	$68,000	$131,200	$163,300	$167,300	—	$334,400	$28,000	7,000	$97,600	$136,600	$140,000	$335,700
President/Owner/CEO	40,700	65,000	92,900	98,300	151,700	$196,700	210,200	35,700	6,100	83,700	109,300	175,600	208,700
General Manager	30,300	48,600	66,500	64,700	90,600	173,400	120,000	31,300	6,500	65,600	58,800	137,500	131,100
VP–Sales & Marketing	30,500	50,000	58,200	70,500	97,900	100,400	110,600	28,800	9,800	58,600	80,800	98,100	112,700
VP–Finance	24,700	33,700	58,900	70,000	68,200	108,300	90,100	39,700	9,200	49,500	82,800	83,600	93,100
VP–Manufacturing	35,000	38,400	60,800	50,000	69,200	91,000	92,200	43,200	0,300	59,400	60,100	70,100	98,400
OFFICE/FINANCIAL													
Controller	33,700	34,100	39,600	47,000	46,500	66,200	60,100	38,800	4,000	41,700	44,300	56,000	57,800
Estimator/Planner	22,900	29,200	34,500	30,100	41,500	47,700	45,100	25,500	6,800	34,100	36,400	42,300	43,200
Office Manager	17,600	28,000	29,800	32,400	34,100	—	36,200	18,500	6,900	29,100	27,200	38,000	38,600
Human Resources Manager	—	17,500	23,000	43,800	42,200	63,600	48,200	48,800	9,300	33,200	40,500	47,200	47,800
Purchasing Agent/Buyer	50,000	24,900	23,700	29,000	42,500	48,200	46,700	52,000	4,600	29,200	31,000	37,500	47,600
PRODUCTION MANAGEMENT													
Plant Manager/Superintendent	27,400	36,200	41,800	50,800	59,700	57,600	66,100	30,500	37,100	40,700	50,700	50,300	66,500
Production Manager	24,000	32,900	38,800	42,100	45,100	45,500	56,800	24,100	2,600	36,500	45,600	44,300	55,700
Quality Control Supervisor	14,500	33,500	30,600	40,300	41,000	48,000	41,400	32,500	8,000	34,400	35,000	39,700	41,600
Production Scheduler	30,900	21,000	28,700	30,300	38,500	39,000	36,900	21,100	8,600	35,100	29,200	35,200	39,000
DEPARTMENT FOREMAN													
Art/Design Foreman	21,000	26,000	26,100	35,300	34,000	36,500	60,300	19,500	24,200	29,000	36,600	36,400	58,900
Electronic Prepress Foreman	26,300	29,300	26,700	30,600	43,300	43,200	48,800	23,800	29,400	32,000	31,200	40,200	49,400
Prep Foreman	25,400	28,800	35,200	37,100	45,800	40,100	48,800	24,800	28,800	34,100	38,900	43,700	48,600
Press Foreman	20,900	31,500	37,500	38,700	45,800	48,800	54,000	21,600	34,000	34,600	39,500	46,800	52,200
Bindery Foreman	16,900	24,800	30,200	34,500	42,800	38,300	45,200	20,600	23,900	30,600	35,200	39,400	44,800
Maintenance Foreman	—	20,000	26,800	26,400	36,800	32,700	44,400	47,300	—	20,900	24,900	36,300	44,500
SALES/MARKETING													
Sales Manager	22,700	28,700	59,500	53,500	69,600	75,500	77,900	26,900	28,500	56,700	52,900	72,100	82,100
Sales Representative	28,500	27,400	37,700	42,300	59,400	—	67,500	29,000	26,800	35,700	46,700	52,500	63,300
Customer Service Manager	18,800	22,400	23,600	30,700	46,600	38,300	42,800	20,500	24,700	24,400	30,600	39,800	44,800

FACTS ABOUT THE SURVEY

In late March, a two-page questionnaire was mailed to a sample group consisting of 2,000 printers selected on an Nth name basis from GRAPHIC ARTS MONTHLY's controlled circulation of readers, plus the 101 largest printers in North America that comprise the GAM 101 ranking.

This fourth consecutive annual Salary Survey includes 24 individual job categories. Two new job classifications were added this year: Art/Design Department Foreman and Electronic Prepress Department Foreman. The Composition Foreman category was eliminated. Respondents were asked to report current annual calender/fiscal year gross salary for each job, not including bonuses, commissions, etc.



A total of 379 printers completed and returned the questionnaire, a response rate of 18%. Of the respondents, 68% have a job title of Owner/President/CEO and 10% are Vice Presidents/Directors/General Managers. More than three-fourths of the responses came from companies primarily engaged in general commercial printing; also, 13% were from companies that claim quick printing as their primary business, and 5% from publication printers. The sample's average gross sales, or revenues, in 1991 was $3.6 million. While respondents employed anywhere from over 200 to under five employees, 34 was the average size work force in the sample.

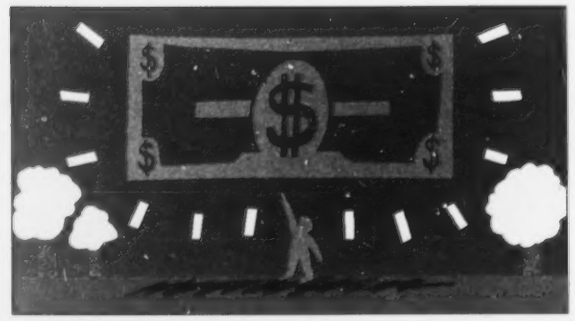
Number of employees at location

Less than 5	27.4%
5–9	24.3
10–19	19.3
20–49	10.8
50-99	7.1
100–149	3.2
150-199	1.1
200 or more	5.5
No answer	1.3

KEY TO REGIONS

The nine geographic regions, as referred to throughout this survey, are as follows:

New England (NE): Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Middle Atlantic (MA):** New Jersey, New York, Pennsylvania. **South Atlantic (SA):** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington D.C., West Virginia. **East South Central (ESC):** Alabama, Kentucky, Mississippi, Tennessee. **East North Central (ENC):** Illinois, Indiana, Michigan, Ohio, Wisconsin. **West North Central (WNC):** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **West South Central (WSC):** Arkansas, Louisiana, Oklahoma, Texas. **Mountain (M):** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific (P):** Alaska, California, Hawaii, Oregon, Washington.



BENEFITS OFFERED

Employers have had to grapple with the issue of employee benefits for quite a while, yet now there is a greater awareness of the possible effect benefits can have on attaining and retaining a satisfied work force. A 1991 New York Times/CBS News poll indicated that more than 30% of its respondents stayed at their jobs, regardless of their employment satisfaction, because they did not want to lose their health benefits (which is the most common benefit sought by employees.) But how do printers compare in regard to this topical issue?

This is the second year questions about employment benefits appeared on the Salary Survey, and the 1992 results are remarkably consistent with 1991. Below is a list of benefits, which illustrates in rounded percentages, the number of companies that offer each benefit: first is the industry average, then the response rate based on company size, from over 200 to less than five employees.

As with salaries, the data show that benefits increase with company size. For example, 73% of overall respondents said they offer Health/HMO benefits, but only 60% of companies with less than 10 employees offered the benefit, compared with 91% of the largest companies.

Benefit	Total Resp.	Less than 10	200 or more
Paid Vacations	84.2%	75.0%	95.2%
Paid Holidays	83.6	73.5	95.2
Health Insurance/HMO	73.1	59.7	90.5
Paid Sick Days	52.0	43.9	71.4
Life Insurance	50.9	30.6	90.5
Disability Insurance	34.0	15.8	76.2
Dental Insurance	28.0	14.3	57.1
Merit Bonuses	22.7	14.3	52.4
Paid Personal Days	19.5	13.8	47.6
401K Plan	19.0	3.6	90.5
Company Car	17.4	12.8	28.6
Profit Sharing	16.9	5.6	38.1
Tuition Reimbursement	15.6	5.6	57.1
Retirement/Pension Fund	15.3	5.1	57.1
Recreational Activitites	10.0	3.1	38.1
Employee Assistance Program	6.1	1.0	38.1
Parental/Caregiver/Maternity Leave	4.7	1.5	14.3
Subsidized Food Service	3.7	1.5	4.8
Scholarships for Children	1.6	0.5	14.3
Child-care Program (on-/off-site)	1.1	–	4.8
No benefits	5.3	9.7	4.8